

**TRANSPORTATION AUTHORITY OF MARIN (TAM)**  
**EXECUTIVE COMMITTEE MEETING**  
**AUGUST 10, 2005**

Commissioner members present: Steve Kinsey, Chair, Marin County Board of Supervisors  
Al Boro, Vice-Chair, City of San Rafael  
Alice Fredericks, Town of Tiburon  
Joan Lundstrom, City of Larkspur  
Lew Tremaine, Town of Fairfax  
Cynthia Murray, Marin County Board of Supervisors

Commissioner members absent: Peter Breen, Town of San Anselmo

Staff members present: Craig Tackabery, TAM Executive Director  
Kathleen Booth, Recording Secretary

*Chair Kinsey called the meeting to order at 2:15 p.m..*

**1. Approval of Minutes from July 13, 2005 Meetings**

The minutes from July 13, 2005 were approved without revision.

**2. Executive Director's Report**

Executive Director Craig Tackabery reported the following items:

- There would be no TAM meeting this month.
- Solano County Transportation will have a ribbon cutting for the SR37 improvements through Vallejo on September 2, 2005.
- Dianne Steinhauer will start on August 24, 2005, as Executive Director.
- Today at 5:00 p.m. is the first meeting of the Oversight Committee. They will be reviewing the auditor scope of work for an auditor selection for TAM.

Executive Director Tackabery reported on the *Nonmotorized Transportation Pilot Program* contained in the federal transportation bill announced by Anita Franzi of Congresswoman Woolsey's office at the last meeting. He distributed Section 1807 of the bill with specific wording. Chair Kinsey stated the purpose of the program was to demonstrate the extent to which bicycling and walking can carry a significant part of the transportation load, and represent a major portion of the transportation solution, within selected communities. There would be four years of funding for four communities around the country. In carrying out the program, the Secretary may make a grant of \$6,250,000 per fiscal year for each of the four identified communities. The goal is mode-shift to illustrate whether you can create bicycle and pedestrian programs that will allow you to transfer trips from automobile to bicycle and pedestrian activities. The intention of the County is to work closely with the Federal Highways Administration over the next few months to develop specific guidelines. The money will come through Caltrans; therefore, the County will be working with Caltrans. He reported that he will recommend to the Board of Supervisors

that they create an advisory body that would be comprised of TAM, Public Works Directors' Association, and other Stakeholders to develop project selection criteria. He envisions a very inclusive process for selection with a real key focus on achieving mode shift. The President signed the Bill today and it would probably be September before any guidelines begin to be developed. Chair Kinsey opened the item up for discussion

Commissioner Murray asked if this was solely about the North South bikeway. Chair Kinsey responded, no, the projects have not been selected yet.

Commissioner Murray asked how we connect the Bicycle Pedestrian Master Plans to the Bill. Chair Kinsey responded the County could take the specific projects in each of the community's Bicycle Pedestrian Master Plans and evaluate which ones specifically could achieve the desired mode shift. Commissioner Murray asked if there was a percentage of mode shift that needs to be achieved in order to meet the goals of the grant. Chair Kinsey responded that when the Board of Supervisors adopted a Resolution supporting the program, we referenced our Countywide Bicycle Pedestrian Master Plan that targets a goal of a 20% mode share, where today the mode share is 11% or 13%. The Bill does not have specific targets identified. The FHWA may be developing targets as they develop the guidelines. It will be important to collect baseline information to measure change.

Commissioner Murray asked about the timeline to appropriate the money or to deliver a project. Executive Director Tackabery reported that the Bill states the final report is due September 30, 2010, and that projects would need to be completed in advance of that so that mode shift data could be collected. Commissioner Murray stated she would like to also consider geographic equity during project selection.

Commissioner Lundstrum suggested that information be made available soon to clarify the program.

Chair Kinsey asked for public comment.

David Schonbrunn suggested that the analysis conducted regarding trips for the Short Range Transit Plan by MCTD should be helpful in identifying areas where mode shift is likely.

A fire drill rang requiring the room be vacated. Executive Director Tackabery requested all present to evacuate to the Public Works reporting area in the "pit" parking lot, where the group could reconvene.

Chair Kinsey called the meeting back to order in the new location, and took Agenda Item 6 out of order.

## **6. Website Development**

Sarah Layton Wallace gave a brief overview of the process and schedule, and that the purpose of this meeting was to review the site structure.

Commissioner Fredericks requested the website contain project photos and easy navigation around key public issues, for example paratransit.

Chair Kinsey asked for public comment.

Wendy Kallins suggested agendas be organized so that the most current is on top.

David Schonbrunn suggested “Transportation Planning” be moved under “Programs” and “Measure A” move into “About Us”. He suggested TAM create multiple list serves for topics, so that someone could sort agenda items, and that there be a search engine for agendas. Rocky Birdsey suggested that TAM insure it has adequate storage capacity to store archives.

Commissioner Tremaine and Commissioner Fredericks approved the website structure, to direct staff to proceed with plans to develop the website, and to present the website to TAM in October. The motion carried unanimously.

### **3. Crossing Guard Program**

Hank Haugse of Nolte Associates reported on the status of the surveys and the recommended next step being data collection. He reported that in addition to the locations contained in Attachment A, Commissioner Gill had contacted staff and recommended 3 additional locations: Hickory, near Mohawk; Corte Madera Avenue @ Redwood Avenue; and Mohawk in front of Neil Cummins. He also reported that TAM’s Safe Routes to School consultants recommended 14 locations as outlined in an August 10, 2005 memo that was distributed.

Chair Kinsey stated that staff should also consider whether any proposed Safe Routes capital project would mitigate the need for a crossing guard.

Vice Chair Boro requested Bellam and E. Francisco/580 be added for evaluation.

Commissioner Lundstrom requested Magnolia and King be added for evaluation.

Chair Kinsey asked for public comment.

David Schonbrunn suggested TAM fund all the locations proposed, since there are less than the 70 budgeted, and forego any data collection or analysis. He also suggested that it be a requirement that schools participate in the Safe Routes to Schools program. Executive Director Tackabery responded that the data will assist in determining whether the investment will be a cost effective use of funds and will provide baseline data for locations where no guard exists today. Rocky Birdsey suggested that criteria also include a review of accident data, that accessibility needs be evaluated, and asked what level of maintenance of effort is required at locations where guards are currently funded by other sources.

Commissioner Tremaine and Commissioner Fredericks directed staff to issue an RFP for the data collection for the location list as amended. The motion carried unanimously.

The evacuation was terminated. Chair Kinsey asked that the meeting reconvene at the Room 304 Conference Room.

### **4. Administrative Set-Up**

Executive Director Tackabery reported there were no decision points today and that the staff report provides status of numerous efforts. With Dianne Steinhauser being hired through LGS instead of as a

TAM employee, there was some relief in the need to finalize many of the details, and that he will work with Dianne on these issues once she starts work.

Chair Kinsey stated we retained the services of Gail Papworth as a contractor to help us with some of the Human Resources related issues. We have approached the County Real Estate, County Public Works, and these are billable services that the County would provide to TAM to assist in those ways.

## **5. Strategic Plan Policy Issues**

Chair Kinsey introduced the Strategic Plan Policy Issues. He introduced Trudy Presser of Nolte Associates to walk through the recommendations.

### **Attachment A: Question 2 – \$30 M Bond Issue**

Trudy Presser reported that last month, the Executive Committee concurred with the draft response that \$25 M of the \$30 M bond assumed in the Sales Tax Expenditure Plan is dedicated to the 101 Gap Closure Project (Question 2.a, Part 1). The Committee also concurred with the draft response that the Authority should retain Measure A “off the top” funds in an amount sufficient to adequately secure anticipated debt financing plus anticipated issuance costs (Question 2.b). In order to adopt a strategy and thereby establish the amount of off the top funds retained for debt financing, staff has provided a 101 Gap Closure Project schedule and funding plan.

The current Segments 3 and 4 cost estimate by fund source is included in *Attachment B*. However, we are still faced today with several unknowns that may significantly modify the funding plan for this project. TAM continues to pursue additional State funding. Attachment B includes an estimate for Measure A funds if the CTC approves additional STIP, SHOPP and TCRP funds later this month. We are also still finalizing project cost estimates. Caltrans has provided estimated project costs, however, right-of-way acquisition has not been finalized and construction costs will be further specified when construction bids are received. Furthermore, staff is working on the inclusion of additional soundwall soundproofing, a bike path and possible modifications to soundwall locations.

Staff has provided as *Attachment C*, a preliminary estimate of available Measure A funds by strategy based on a \$30 M bond issued in FY 06/07.

In response to questions from the Executive Committee, Nancy Whelan, subconsultant to Nolte, clarified that in Attachment C program management fees are included in the debt amount and that she would further clarify Attachment C for the next meeting regarding how funds for the Gap Closure will be distributed if 7.5% of the sales tax revenue is not needed for the project.

### **Attachment A: Question 4 – Reserve Fund**

Trudy Presser reported this question has been expanded to ask “How should the Authority plan for and manage potential fluctuations in sales tax revenue?”

**Draft Response:** The Authority has three methods of planning for and managing the risks associated with fluctuations in sales tax revenues and the potential negative impacts they would have on programs and projects:

- 1) Sales tax revenue forecasting
- 2) Establishing a Reserve Fund
- 3) Requiring or recommending project sponsors to have contingencies/reserves in their program or project budgets.

#### 1) Sales Tax Revenue Forecasting

One of the most important ways for the Authority to assist project sponsors in making realistic plans for programs and projects is to provide accurate revenue forecasts. Given that the Measure A tax is a new tax for Marin County, and given the recent volatility in the regional economy, a conservative (or low) revenue estimate will provide the Authority and project sponsors with the most reliable estimate upon which to build financial plans. As a sales tax receipt history is built over time, the forecast can be updated with each Strategic Plan update. The sales tax forecasting methodology and recommended forecast is provided as *Attachment D*.

#### 2) Establishing a Reserve Fund

The purpose of establishing a reserve is to not only ensure that projects included in the Expenditure Plan are implemented on time, but to allow for fluctuations in annual sales tax receipts that might negatively impact ongoing operating programs.

The practices of other sales tax authorities indicate that formal reserves are established by some authorities and are not by others. The authorities that have established formal reserves have done so primarily to provide a means for addressing sales tax receipts that are below forecasted amounts. San Francisco County Transportation Authority sets aside a reserve of 10% of annual sales tax revenue in year 1 of their Strategic Plan and maintains that level throughout the life of the plan. An additional reserve of one to two years' collections is provided to allow for fluctuations in sales tax receipts, project delivery, and variable financing requirements.

Contra Costa Transportation Authority (CCTA) accumulates a reserve from its Measure C sales tax revenues based on available surpluses. The reserves built up over several years and were allocated based on requests with justifications and approved by the CCTA Board. The new CCTA Measure J sales tax, with collection starting in 2009, requires a 3% annual fund balance for certain categories such as transit operations. Unlike Measure C, Measure J requires that this fund balance be accounted for and tracked by specific category.

Alameda County Transportation Improvement Authority (ACTIA) and Sonoma County Transportation Authority (SCTA) do not establish a formal reserve for their programs. However, SCTA's Strategic Plan indicates that a fund balance will remain each year of the plan under current programming assumptions. Additionally, all agencies establish separate reserves as required for debt financing and for self-insurance requirements.

For the first Measure A Strategic Plan it would be prudent to establish a reserve fund. Staff recommends that 5% of the net sales tax revenues be set aside annually for the first 5 years of the plan be included in the financial model. TAM can then obtain feedback from project/program

claimants on how this may impact them in the short-term. Should sales tax receipts fall below planned amounts, the reserve could be reduced by amounts needed to maintain planned revenues to programs and projects. Any allocation of the reserves would be counted towards the substrategy to which the allocation was made. Adjustments to future year allocations would be made as necessary to maintain the substrategy percentage shares within a five-year period.

A reserve fund policy should be developed and should address the methodology to be used to determine the target reserve amount to be set-aside and how and when reserves would be allocated. The balance and duration of contributions to the reserve fund would be reviewed with each update of the Strategic Plan.

### 3) Project/Program Contingencies

Project/program sponsors will develop budgets for their Measure A projects and programs. According to best practices (and indeed some financial requirements), all budgets should be developed with appropriate contingencies to account for cost variances. The Authority can ensure that sponsors are planning for project/program contingencies through recommended techniques in the Measure A cooperative agreements.

*There was consensus to accept the draft response, except for the 5% of the net sales tax revenues to be set aside annually for the first 5 years of the plan be included in the financial model. The Executive Committee agreed it could be somewhere between a low of 5% and a high of 10% and that this could be fine tuned when looking short-term financial implications with project sponsors.*

### **Attachment A: Question 6 – Borrowing**

Mary Whelan asked the question, “Can borrowing occur between strategies and substrategies? Will interest be charged to the substrategy or strategy borrowing the funds?”

**Draft Response:** Yes, to the extent such borrowing assists in avoiding debt financing. Interest equal to the investment interest that would have accrued to the funds, should be charged to the strategy or substrategy borrowing funds, and accrued to the substrategy loaning the funds.

In certain years a substrategy may require more than its annual sales tax allocation, yet another substrategy may not spend its full allocation. Some substrategies may have “saved” their annual allocations and maintained a positive balance. In these circumstances, inter-strategy and inter-substrategy loans may be appropriate to address short-term cash flow needs. Such loans will be especially beneficial to the Measure A program when they are undertaken to avoid incurring debt financing costs.

Sonoma County Transportation Authority has established a policy for inter-program borrowing to maximize program efficiency. The policy suggests that the interest on such loans be tied to the assumed short-term investment rate applicable to the annual fund balance.

*There was consensus to accept the draft response.*

## **Attachment A: Question 7 – Interest**

Mary Whelan asked the question, “If a balance exists, how should interest be accrued?”

**Draft Response:** Interest should be accrued to the substrategies if a fund balance exists. The Expenditure Plan allocates revenue at the substrategy level, and to maintain the commitment of the sales tax and any further revenue it generates, interest income should be allocated to the substrategy.

Some substrategies are likely to not be allocated the full amount of sales tax revenue available to them in any given year. Measure A fund balances will accrue interest at the County pool investment rate. Interest on fund balances would be applied to the substrategy for allocation consistent with the Expenditure Plan requirements.

It appears that SCTA, ACTIA, and CCTA accrue interest to the programs or projects for which sales tax is made available. SFCTA uses a slightly different approach where interest is accrued on the sales tax program (total) balance and allocated at the discretion of the Board.

*There was consensus to accept the staff recommendation.*

### **7. Open Time for Public Expression**

None.

*Chair Kinsey adjourned the Executive TAM meeting at 4:45 p.m.*